Development, is rendering financial and technical assistance to the States for tackling water quality problems in rural areas on 75:25 funding pattern between Central Government and State Government. With effect from 01.04.1998, powers have been delegated to the State Governments for sanctioning and implementing projects for tackling quality problem. 15% of financial assistance to State Governments under the Centrally Sponsored Accelerated Rural Water Supply Programme (ARWSP) have been earmarked for tackling quality problem.

Restructuring of RRBS

149. SHRI DATTA MEGHE: Will the Minister of FINANCE be pleased to state:

(a) whether Government have been considering certain measures for restructuring Regional Rural Banks, which play a key role in providing rural credit;

(b) if so, the details thereof;

(c) whether it is proposed to extensively amend the Regional Rural Banks Act to evolve a hybrid model combing several options; and

(d) if so, by when it is likely to be done?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) and (b) Several suggestions for restructuring of Regional Rural Banks (RRBs) have been considered like de-linking of RRBs from Sponsor Banks, amalgamation of RRBs at regional or State level, merger with Sponsor Banks, making RRBs subsidiaries of the Sponsor Banks, their consolidation into a National Rural Bank etc. In the meantime, Government has decided that each sponsor Bank will be held squarely accountable for the performance of RRBs under its control. RRBs that adopt a new governance standard and that abide by the prudential regulations will qualify for receiving funds from the Government for restructuring. Further as a step towards the consolidation of RRBs, the Government has initiated the process of amalgamation of contiguous RRBs sponsored by the same Bank within a State in consultation with the respective State Government and NABARD.

(c) No such propposal is under consideration, at present.

(d) Does not arise.